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LETTERS TO THE EDITOR

THE TARIFF COMMISSION PLAN

SIR,—The article by Hon. James B. Reynolds, formerly a member of Taft's Tariff Board, appearing in your June issue under the title, "The Tariff Commission Plan, Its Facts and Fallacies," is so replete with careless and inaccurate statements as to confuse rather than to clarify this important question.

Mr. Reynolds' paper indicates that he must have read very carelessly the Rainey Tariff Commission Bill, known as the Administration's measure. This is the only bill that is being considered. It passed the House and is now, as I write, before the Senate. Mr. Reynolds failed to grasp the true significance of this bill, and he reads into it provisions that do not appear, and then criticizes them.

The Tariff Commission League, of which the writer is president and active director, has carried forward a very extensive campaign of education in support of this bill. He made the original draft and assisted Mr. Rainey in getting it into its present form. In the propaganda carried forward it was made entirely clear that the Tariff Commission could not fix rates, that it could not determine a tariff policy, and that it could not take away from Congress powers given that body by the Constitution. The Commission would be a creature of Congress and therefore subject to it. The Interstate Commerce Commission is on a very different basis. It can establish, change and discontinue rates. It is not dealing with taxation. The Constitution places the matter of Federal taxation entirely in the hands of Congress and all measures relating thereto must originate in the House of Representatives. Hence there are no grounds whatever for the statement of Mr. Reynolds that those backing this measure have demanded that "upon it be conferred the power to make rates." Such suggestions have appeared from time to time in the public press, coming from people who are uninformed.

Mr. Reynolds criticizes and ridicules the slogan, "Take the tariff out of politics," saying that this can only be done when you can take oxygen out of the air, and the people out of politics, etc. Further along he admits that tariff-making in Europe is not a political question, but an economic one, and that their "tariffs are made to fit the needs of the nation and not the sequence of a political victory," and that tariffs are for the direct and personal benefits of the country. If Europe has succeeded in taking the tariff out of politics, why may we not do so?

Except for the excellent work of Taft's Tariff Board, of which Mr. Reynolds was a member, there has been no attempt worthy the name to gather

full and exact information necessary for the enactment of tariff schedules on the lines of economic necessity. The practice has been to make up schedules by log-rolling and trading, based upon assumption, distorted facts, and political expediency. Practically all that people have heretofore heard about the tariff was through the juggling of facts exploited for political advantage. No tariff act ever passed in this country worked out as promised, and every one proved a disappointment to its friends and an opportunity to its enemies for further political exploitation.

When the Tariff Commission that is to be shall have gathered all the essential data relating to the subject, both revenue and protective; shall have classified and indexed the same and put it into simple English; then, and only then, will the people be able to understand the subject. When this is done, we may be very sure that the people will determine at the ballot-box, once and for all, the policy it wishes the country to follow; and it never can do this until it has all the facts in understandable form. When this point has been reached, there will be no question about the tariff policy in this country, any more than in the European countries the gentleman refers to; and, as he aptly says, "under such conditions there is no dispute as to what the basic theory of a new tariff law should be, and it will only remain for those making it to do the detail work and see that each industry receives fair play and just treatment." This is exactly the goal we expect to reach. As a matter of fact, the general plan proposed for a non-partisan Tariff Commission has been accepted by all parties, and for the first time in the history of this country, the three principal political parties have endorsed it in their party platforms. So already we see results. In a very large degree the tariff as a political issue has been sterilized.

The gentleman makes another very serious and fundamental misstatement in assuming that the Tariff Board will make definite recommendations as to rates. The Rainey Tariff Commission Bill gives no power to do so. The Commission's work will be simply to report facts, and all the facts, and to assist the dominant party in Congress to write the fairest tariff bill possible, based upon the information gathered. Mr. Reynolds quotes his experience and shows that it is entirely practicable for a tariff board made of members of opposing political faiths and with a different conception of what the tariff policy should be to agree upon facts. He says that they did so on the wool schedule and found that it cost the United States nine cents per pound more to raise wool than it did Australia, yet the two parties differed radically upon what the wool tariff should be.

He says further: "There is danger also that a Tariff Commission might get into its head the idea that it must constantly make recommendations for changes in order to justify its existence." The answer to this is that the Commission has no power to make such recommendations, and, as the gentleman ought to know, the Tariff Commission will have a man's job to cover the work definitely assigned to it, and that to do so will call for all of its physical strength and ability. He says that in framing the Underwood Tariff, the findings of the Taft Tariff Board were completely ignored. This was not the case. I have assurances from the chairman of the Ways and Means Committee of the House and the Finance Committee of the Senate that in both the wool and cotton schedules the report of the Taft Tariff Board as to facts was accepted, and that the cotton schedule could not have been satisfactorily written without it, and that this report was the principal authority in determining upon the facts in preparing the wool sched-

ule. Both these gentlemen spoke in high praise of the personnel of the Taft Tariff Board and had a high respect for its work.

The occasion of this communication lies in the fact that the gentleman who wrote the article referred to is so widely known as one having had experience in this matter, that the writer feels that the public should not be misled by any statements which, though sincerely made, do not conform to the facts.

CHICAGO, ILL.

H. H. GROSS,
President, Tariff Commission League.

A REPLY TO THE FOREGOING

SIR,—The efficient chairman of the Tariff Commission League seems to have greatly misconstrued both the subject and the object of my article in your June issue. My purpose was to discuss the idea and plan of a tariff commission in general, and without reference to any particular measure that was either before Congress or in process of formation. His criticisms of statements made in that article seem to be entirely based on the supposition that I was dealing with the so-called Rainey bill and that some of the statements I made did not fit the provisions of that measure.

The entire answer to such criticism is the fact that I had neither the Rainey bill nor any other particular bill in mind, but only the broad and general proposition of the matter of a tariff commission—its possibilities and its impossibilities, and the mistaken notions in regard to the proper limitation of its powers. With the varying ideas of how much authority such a tariff body should have, I have come into personal contact very frequently. They have extended all the way from the idea that a tariff commission should be merely clerical in its labors, to the idea that it should go to the uttermost limit and have authority to make tariff rates. This latter proposition has gone so far as to be put into bills introduced in Congress.

Regarding the Democratic attitude on the subject of a tariff commission, I cannot agree with the optimistic view and the utopian picture painted by Mr. Gross. The Ways and Means Committee, of which Mr. Underwood was chairman, had no use either for the findings of the Tariff Board or for the principle upon which the work of the Board was based. There was no concealment of their disposition nor any doubt at the time as to the views of the Committee. The Democratic party was determined to frame a tariff law according to their own ideas and desires, and without either interference or suggestion from any outside body, no matter how non-partisan it might be. From President Wilson down, there has been no Democratic sympathy with the tariff commission idea. It was not until the exigencies of this year's campaign that it was deemed wise by the party in power to make an attempt to placate the business interests of the country by a seeming acquiescence in the creation of a tariff commission. It was distinctly of the type of death-bed repentance, and the strength of it depends entirely upon what is done should the patient recover and be restored to health.

I do not deem it necessary to go into the specific criticisms made by Mr. Gross, as so many of them are founded upon very palpable misconception of the purpose of the article. The ideas I put into print in regard to the tariff commission plan were those I had acquired during three years' experience as a member of the Tariff Board, and by a personal study of the tariff-